

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF  
TENNESSEE NORTHERN DIVISION**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

AIC, INC., *et al.*,

Defendants,

and

ALLIED BEACON PARTNERS, INC., (f/k/a  
Waterford Investor Services, Inc.,) *et al.*,

Relief Defendants.

No. 3:11-CV-00176-TAV-HBG

**ORDER TO ESTABLISH A FAIR FUND, APPROVE THE  
DISTRIBUTION PLAN, AND APPOINT A DISTRIBUTION AGENT**

The Court having reviewed the Securities and Exchange Commission's ("SEC" or "Commission") Motion to Approve the Distribution Plan for good cause shown,

**IT IS HEREBY ORDERED:**

1. The Motion is GRANTED.
2. Keshia W. Ellis is appointed Distribution Agent.
3. A Fair Fund is created pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002 [15 U.S.C. §7246(a)], as amended by the Dodd-Frank Act of 2010 [15 U.S.C. §7246].

4. The Distribution Fund will be distributed in accordance with the Distribution Plan approved by this Court.

5. The Distribution Agent shall perform such functions as are necessary to implement and administer the approved Distribution Plan, pursuant to which monies in the Distribution Fund, minus tax obligations and fees and expenses of the Tax Administrator, shall be distributed to Eligible Recipients as defined in the Distribution Plan.

6. The Distribution Agent shall be deemed to be acting within the scope of her employment with the Commission in administering this SEC v AIC, Inc. Distribution Fund. In carrying out her duties, the Distribution Agent may be assisted by other Commission staff acting under her supervision.

7. The Distribution Agent shall receive no compensation for the services performed in administering the SEC v AIC, Inc. Distribution Fund, other than her regular salary as an employee of the Commission.


8. The Distribution Agent shall coordinate with the Court-appointed Tax Administrator, Damasco & Associates LLP (now known as Miller Kaplan and Arase LLP), to ensure that the SEC v AIC, Inc. Distribution Fund, a Qualified Settlement Fund ("QSF") under Section 468B(g) of the Internal Revenue Code, and related regulations pertaining to QSF's, 26 C.F.R. §§ 1.468B-1 through 5, complies with all related legal and regulatory requirements imposed on distributions from the SEC v AIC, Inc. Distribution Fund.

9. The Distribution Agent may be removed *sua sponte* at any time by the Court or upon motion of the Commission and replaced with a successor.

10. The Distribution Agent and her designees, agents and assistants are not required to post a bond, and shall not be liable to any person for their actions hereunder, except on a finding of willful disregard of duty.

11. The Distribution Agent will submit a final report describing the distribution made to the Court prior to seeking termination of the SEC v AIC, Inc. Distribution Fund and discharge of the Distribution Agent. In the unlikely event that a check is not cashed, those funds will be transferred to the U.S. Treasury.

Dated: 2/25/20

  
United States District Judge  
U.S. Magistrate Judge